

The Social Security Act establishes federal authority by which the Department of Revenue may use Social Security numbers as the identification numbers required by the tax laws. See 42 USC 405 (c)(2)(C)(i). (This is a GIL.)

July 25, 2007

Dear Xxxxx:

This letter is in response to your letter dated December 4, 2006, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

This is a follow-up to our recent telephone conversation regarding the Notice of Registration Status sent to our client, CLIENT. We have attached a copy of the notice for your reference.

CLIENT, a Delaware corporation domiciled in Massachusetts, began to file the Illinois Corporation Income Tax Return in 2003 when CLIENT determined that it had nexus in Illinois for corporate net income tax purposes. Since 2003, CLIENT has filed an Illinois corporate income tax return annually.

CLIENT recently determined that its activities in Illinois have changed and that it now has nexus for purposes of collecting Illinois sales and use tax. Accordingly, CLIENT has completed the appropriate registration with the Illinois Department of Revenue required to collect and remit Illinois sales and use tax.

When registering for sales and use tax, CLIENT did not provide the social security numbers of two of its officers who are U.S. citizens on the registration form. (Note that the other officers of CLIENT are citizens of the COUNTRY and do not have U.S. social security numbers. In addition, note that CLIENT is not a privately held corporation but rather a U.S. subsidiary of a consolidated group of foreign corporations whose stock is traded on the ABC Stock Exchange.)

CLIENT subsequently received the attached notice from the Illinois Department of Revenue regarding its registration. Although CLIENT understands why the Illinois Department of Revenue requests the social security numbers of officers for registration of sales and use tax collection, CLIENT generally does not provide the social security numbers of its officers because its officers are genuinely concerned about identity theft. Due to this concern, CLIENT generally makes arrangements when registering with states to collect sales and use tax to post a bond in lieu of providing the social security numbers of its officers.

Since initially registering with the Illinois Department of Revenue, CLIENT has collected and remitted Illinois sales and use tax and will continue to do so. However, CLIENT wants to properly register to collect and remit sales tax without providing the social security numbers of its officers, and accordingly, respectfully requests the Illinois Department of Revenue to allow it to post a bond in lieu of providing the social security numbers of its officers.

We welcome the opportunity to further discuss this issue with you. Please feel free to call me.

## **DEPARTMENT'S RESPONSE**

We understand your concern. However, The Social Security Act, 42 USC 405 (c)(2)(C)(i) provides as follows:

It is the policy of the United States that any State (or political subdivision thereof) may, in the administration of any tax, general public assistance, driver's license, or motor vehicle registration law within its jurisdiction, utilize the social security account numbers issued by the Commissioner of Social Security for the purpose of establishing the identification of individuals affected by such law, and may require any individual who is or appears to be so affected to furnish to such State (or political subdivision thereof) or any agency thereof having administrative responsibility for the law involved, the social security account number (or numbers, if he has more than one such number) issued to him by the Commissioner of Social Security.

As is evident from the above, the Social Security Act establishes federal authority by which this Department may use social security numbers as the identification numbers required by the tax laws.

We are assuming that you are registering for the sales tax. Section 2a of the Retailers' Occupation Tax Act, 35 ILCS 120/2a, provides in part that "[a]pplication for a certificate of registration shall be made to the Department upon forms furnished by it. Each such application shall be signed and verified and shall state: (1) the name and social security number of the applicant; (2) the address of his principal place of business; (3) the address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State and the addresses of all other places of business, if any (enumerating such addresses, if any, in a separate list attached to and made a part of the application), from which he engages in the business of selling tangible personal property at retail in this State; (4) the name and address of the person or persons who will be responsible for filing returns and payment of taxes due under this Act; (5) in the case of a corporation, the name, title, and social security number of each corporate officer; (6) in the case of a limited liability company, the name, social security number, and FEIN number of each manager and member; and (7) such other information as the Department may reasonably require." As the

requirement of listing corporate officers' social security numbers is statutory, the Department is without authority to administratively waive it.

Please note that the application's corporate officer information is confidential and is not made available to the public. The Illinois Department of Revenue only uses it for official purposes and it is a Class B misdemeanor for a Department employee to improperly divulge such information, 35 ILCS 120/11.

If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote  
Associate Counsel

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